

MATTHEW JERZYK
CITY SOLICITOR



JAMES A. DIOSSA
MAYOR

CITY OF CENTRAL FALLS
LAW DEPARTMENT

580 BROAD STREET
CENTRAL FALLS, RI 02863

OFFICE: (401) 727-7490
FAX: (401) 727-7422

January 23, 2019

Lisa Pinsonneault
Special Assistant Attorney General
Rhode Island Office of Attorney General
150 South Main Street
Providence, RI 02903
opengovernment@riag.ri.gov

Re: Open Meetings Act Complaint against the the Central Falls Detention Facility Corporation

To Attorney Pinsonneault:

As the City Solicitor representing the City of Central Falls, I hereby file this Complaint against the Central Falls Detention Facility Corporation ("CFDFC") for violating several provisions of the Open Meetings Act, RIGL § 42-46-1 et. seq.

Yesterday, January 22nd, the CFDFC posted a public meeting at 8:53 a.m. for a meeting that would start the same night at 5:30 p.m. See Exhibit One. That posting gave the public less than 8 hours' notice for the meeting. The agenda stated that it was an "emergency meeting." See Exhibit Two.

Since the CFDFC failed to comply with the provisions of RIGL § 42-46-6(c), the entity is in violation of the OMA and the meeting and the votes that happened therein ought to be declared null and void. This provision of the OMA, which permits emergency meetings to be held without the 48 hour public notice requirement, requires the following (1) an affirmative vote of the majority of the members of the body declaring an emergency; (2) the emergency has to be deemed necessary to address an unexpected occurrence that requires immediate action to protect the public; (3) a meeting notice and agenda must be posted thereafter; and (4) the entity can only "discuss the issue or issues that created the need for an emergency meeting."

Of these four provisions, it is only clear to me that number (3) was followed. There is no record of a vote of 3 members of the 5-member board declaring an emergency, upon my information and belief. There was certainly no "unexpected occurrence that requires immediate action to protect the public." The CFDFC will likely state that they needed approval for a bridge loan to cover operating expenses from the government shutdown. But, this argument is meritless. The government shutdown began on December 21, 2018. Since that time, the CFDFC had 3 properly noticed board meetings (on

January 1, 2019, on January 14, 2019 and January 18, 2019) at which point they could have taken up this matter. See Exhibit Three. A government shutdown that had been ongoing for 31 days at the point of their “emergency meeting” is not “unexpected.” In addition, even if the bridge loan were not approved, upon information from the CFDFC officials themselves, the U.S. Marshalls who are responsible for the detainees in the facility would pick them up and take them elsewhere; as such, this vote was not an “immediate action” to “protect the public.” Finally, the entity did not solely “discuss” the bridge loan issue; in fact, they voted on it, in violation of requirement (4).

If the CFDFC were solely voting on a loan to maintain the operations of their facility, the detriment to the public might not be so colossal. However, this is far from the case. They voted on a secretly negotiated amendment to a forbearance agreement to which the City was a party to and that was the settlement of Superior Court keepership proceeding involving the City and the CFDFC. See Exhibit Four. Section 3 of the amendment creates a roadmap for the bondholders to seize control of the corporation’s board and to sell the CFDFC to a private prison corporation such as CoreCivic (formerly Corrections Corporation of America), whose name appears in the amendment. See Exhibit Five.

Some basic internet research about CoreCivic reveals the following:

- A December report from the Department of Homeland Security found “significant issues” with four ICE detention facilities, including CoreCivic’s Stewart Detention Center in Georgia. The inspection cited improper treatment of detainees, delayed medical care and lack of cleanliness and access to hygienic supplies, among other problems.
- CoreCivic is the defendant in at least five ongoing federal civil rights lawsuits in a number of federal district courts across the country. Among those suing the company is a mentally disabled minor who was detained at the Citrus County Detention Facility in Lecanto, Florida and allegedly was improperly placed in quarters with convicted criminals and raped repeatedly.
- In 2017, the single largest source of revenue for CoreCivic was ICE, accounting for 25% of total revenue. CoreCivic’s South Texas Family Residential Center was implicated in the June 2018 systematic separation and detention of immigrant families following President Trump’s “zero-tolerance” immigration policy in April 2018. CoreCivic also stands to profit from President Trump’s order that ended the policy to separate undocumented parents and children. Families now will be detained together while they await legal proceedings, which creates greater demand for beds. CoreCivic’s immigration detention centers have faced public scrutiny for human rights abuse, including medical neglect, sexual and physical assault against detainees, and understaffing and overcrowding. In 2017, a federal audit revealed that a CoreCivic immigration detention center in Kansas lacked oversight and was severely understaffed. In February 2017, detainees at an ICE facility managed by CoreCivic went on a hunger strike to protest their detention and CoreCivic retaliated by locking them in solitary confinement. As of April 2018, CoreCivic faces three lawsuits for alleged forced labor and other abuses in its immigration detention facilities.
- The conditions at CoreCivic’s Trousdale Turner Correctional Center in Hartsville, Tennessee have called attention to the public dangers of private prisons. Since 2016, when the facility became operational, there have been concerns around inadequate staffing, excessive use of force, and solitary confinement. After only four months of operation, the state stopped sending prisoners to the new facility. In January 2017, a lawsuit against CoreCivic alleged that understaffing at the facility had led to insufficient care for about 60 diabetic people.

- In 2010, an Associated Press report revealed that the company's Idaho Correctional Center had more assaults than all other Idaho prisons combined. It was dubbed the "Gladiator School" after video footage showed an incarcerated person being severely beaten by another incarcerated person, pleading for help as company guards looked on. In 2012, incarcerated people filed suit against CoreCivic for deliberately understaffing the facility. The judge found CoreCivic guilty of understaffing and CoreCivic lost its \$30 million contract for the prison.
- In 2013, the Texas Observer called the CoreCivic-run Dawson State Jail "the worst state jail in Texas." Between 2004 and 2013, seven incarcerated people died due to medical neglect and malpractice. One prisoner gave birth to a premature baby at 26 weeks after CoreCivic guards ignored her cries for medical attention. The baby was delivered in a prison toilet with no medical attention and died four days later. In August 2013, the Texas Department of Criminal Justice closed the facility.

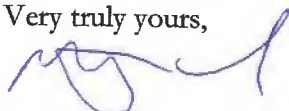
In addition to the aforementioned violations, the agenda for the purported "emergency" meeting did not state the vote on this amendment with the particularity that is required by § 42-46-6(b). The Rhode Island Supreme Court has previously held that the OMA requires entities such as the CFDFC to "provide fair notice to the public under the circumstances, or such notice based on the totality of the circumstances as would fairly inform the public of the nature of the business to be discussed or acted upon." Tanner v. Town Council of East Greenwich, 880 A.2d 784, 797 (R.I. 2005).

The agenda states "Amendment to Forbearance Agreement." Nowhere does it state that there will be a vote. Nowhere does it describe what the forbearance agreement is or who it is between. Nowhere does it describe the amendment and the purpose thereto. Indeed, these facts are similar to a case wherein the Rhode Island Supreme Court found that an agenda item that listed "Request for Extension from Turner Scott received 11/30/08" violated the OMA because it did not have enough particularity about the request and because there was no indication that there would be a vote. See Anolik v. Zoning Board of Review of the City of Newport, 64 A.3d 1171, 1176 (R.I. 2013) ("[t]he agenda item further fails to provide any information as to exactly what was the reason for the requested extension or what would be its duration. In no way does the agenda item give notice that the request for extension was to extend the temporal parameters then in effect for the purpose of completing or substantially completing the improvements...").

One can only infer from the facts of this matter that this rushed meeting was an attempt to avoid the media and the public scrutiny of a private prison takeover in the immigrant-rich city of Central Falls. The City files this complaint with the hope that that Attorney General will render this meeting and this vote null and void and allow the public and the media the full 48 hour opportunity to understand the proposed agenda item, attend a properly noticed meeting and make their voices heard.

Thank you for your time and cooperation and please feel free to contact me with any further questions or concerns at 556-7412 or mjerzyk@centralfallsri.us.

Very truly yours,



Matthew T. Jerzyk,
City Solicitor

Exhibit

One



Rhode Island Department of State Meeting Details

Nellie M. Gorbea

Secretary of State

Select Language

Meeting Information

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Keywords:

Public Bod

Meeting Da

From Date

To Date

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Central Falls Detention Facility Corporation

Refine You

All Meeting

Public Body Name: Central Falls Detention Facility Corporation

Date: Jan 22 2019

Time: 5:30 PM

Address: 935 High Street, Central Falls, RI, 02863

Filed on: Jan 22 2019, 08:53AM

Emergency Meeting: ? Yes

Annual Calendar: ? No

Public Announcement: ? Yes

Agenda ?

Agenda filed on Jan 22 2019, 08:53AM by Linda St. Pierre

Meeting Minutes

Reset

No minutes on file for this meeting. Please contact this entity using the information above.

RSS REX

Contact Information

ings for

Contact Person: Annalisa Boucher

Phone: 401-721-0313

Central]

Past Meetings for Central Falls Detention Facility Corporation

Meeting Details

Show 10 entries

Filter Filter below results

| Body Name | Meeting Date |
|--|----------------------|
| Central Falls Detention Facility Corporation (/OpenMeetin subtopmenulc | Jan 22 2019, 05:30PM |
| Public Body Name: Central Falls Detention Facility Corporation | |
| Date: Jan 22 2019 | |
| Time: 5:30 PM | |
| Address: 935 High Street, Central Falls, RI, 02863 | |
| Filed on: Jan 22 2019, 08:53AM | |
| Emergency Meeting: ? Yes | |
| Annual Calendar: ? No | |
| Public Announcement: ? Yes | |
| subtopmenulc=201&EntityID=413&MeetingID=970963) | |
| Central Falls Detention Facility Corporation (/OpenMeetin subtopmenulc | Nov 26 2018, 05:30PM |
| Agenda filed on Jan 22 2019, 08:53AM by Linda St. Pierre | |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenulc | Oct 29 2018, 05:30PM |
| No minutes on file for this meeting. Please contact this entity using the information above. | |
| (/OpenMeetingsPublic/OpenMeetingDashboard: subtopmenulc=201&EntityID=413&MeetingID=844152) | |
| Central Falls Detention Facility Corporation (/OpenMeetin subtopmenulc | Aug 20 2018, 05:30PM |
| Contact Annalisa Boucher | |
| Person: | |
| Phone: 401-721-0313 | |

| Body Name | Meeting Date |
|---|---------------------|
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=841165) | Jul 9 2018, 05:30PM |

Showing 1 to 10 of 217 entries

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| Public Body Name: | Central Falls Detention Facility Corporation | 22 | Next |
| Date: | Jan 22 2019 | | |
| Time: | 5:30 PM | | |
| Address: | 935 High Street, Central Falls, RI, 02863 | | |
| Filed on: | Jan 22 2019, 08:53AM | | |
| Emergency Meeting: ? | Yes | | |
| Annual Calendar: ? | No | | |
| Public Announcement: ? | Yes | | |

Cancelled
Corporation

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| Agenda filed on Jan 22 2019, 08:53AM by Linda St. Pierre | | utes Filed Date |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=972924) | Jan 18 2019, 05:30PM | Jan 22 2019, 08:54AM |
| Central Falls (/OpenMeetin subtopmenuId=201&EntityID=413&MeetingID=970963) | No minutes on file for this meeting. Please contact this entity using the information above. | |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=970963) | Nov 26 2018, 05:30PM | Jan 9 2019, 10:30AM |
| Contact Person: | Annalisa Boucher | |
| Central Falls (/OpenMeetin subtopmenuId=201&EntityID=413&MeetingID=970963) | Phone: 401-721-0313 | 3 2018, 08:25A |

| Body Name | Meeting Date | Minutes Filed Date |
|---|--|---------------------|
| Meeting Details | | |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard?subtopmenuId=201&EntityID=413&MeetingID=844152) | Sep 10 2018, 05:30PM | Dec 13 2018, 08:21A |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard?subtopmenuId=201&EntityID=413&MeetingID=844152) | Oct 29 2018, 05:30PM | Nov 29 2018, 01:29P |
| Public Body Name: | Central Falls Detention Facility Corporation | |
| Date: | Jan 22 2019 | 6 2018, 03:22PI |
| Time: | 5:30 PM | |
| Address: | 935 High Street, Central Falls, RI, 02863 | 5 2018, 03:52P |
| Filed on: | Jan 22 2019, 08:53AM | |
| Emergency Meeting: ? | Yes | 2 2018, 09:23AM |
| Annual Calendar: ? | No | |
| Public Announcement: ? | Yes | 3 2018, 10:44AM |

Showing 1 to 10 of 168 entries

Previous

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Next

Agenda filed on Jan 22 2019, 08:53AM by Linda St. Pierre

No minutes on file for this meeting. Please contact this entity using the information above.

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Contact Person:

Annalisa Boucher

Phone:

401-721-0313

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Public Body Name:

Central Falls Detention Facility Corporation

No Meetings
One Meeting
Multiple Meetings

Date:

Jan 22 2019

Time:

5:30 PM

Address:

935 High Street, Central Falls, RI, 02863

About (https://sos.ri.gov)

Filed on:

Jan 22 2019, 08:53AM

(https://sos.ri.gov)

Emergency Meeting: ?

Yes

public)

Annual Calendar: ?

No

ment@sos.ri.gov

Public Announcement: ?

Yes

ment@sos.ri.gov)



Rhode Island Department of State



An Official Record

Agenda filed on Jan 22 2019, 08:53AM by Linda St. Pierre



ecstate) (https://www.linkedin.com/company/1204000)

(https://www.facebook.com/RIDepartmentOfState/?

No minutes on file for this meeting. Please contact this entity using the information above.

Contact Person:

Annalisa Boucher

Phone:

401-721-0313

Exhibit

Two

**CENTRAL FALLS DETENTION FACILITY CORPORATION
PUBLIC NOTICE OF MEETING**

BOARD OF DIRECTORS

EMERGENCY MEETING

A meeting of the Central Falls Detention Center Facility Corporation Board of Directors will be held at the Wyatt Detention Facility Training Building, 935 High Street, Central Falls, Rhode Island, on **Tuesday, January 22, 2019 beginning at 5:30 p.m.** for the purposes referenced below. All items are subject to discussion and/or official action by the Board of Directors.

AGENDA

1. Call to order/roll call
2. Pledge of Allegiance
3. Public Comment: None
4. New Business: None
5. Amendment to Forbearance Agreement

This notice shall be posted on Tuesday, January 22, 2019, at the Office of Central Falls Detention Facility Corporation, at the Central Falls City Hall, and by electronic filing with the Rhode Island Secretary of State pursuant to RIGL §42-46-6 (c).

Exhibit Three



Rhode Island Department of State

Nellie M. Gorbea

Secretary of State

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Meeting Date Range:

From Date



To Date



Public Bodies:

Central Falls Detention Facility Corporation

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| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=972924) | Jan 18 2019, 05:30PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=972597) | Jan 14 2019, 05:30PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=971316) | Jan 1 2019, 08:30AM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=970963) | Dec 10 2018, 05:30PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=970333) | Nov 26 2018, 05:30PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=969151) | Oct 29 2018, 05:30PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=844152) | Sep 10 2018, 05:30PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=843069) | Aug 20 2018, 05:30PM |

| Body Name | Meeting Date |
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| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=841165) | Jul 9 2018, 05:30PM |
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Cancelled Meetings for Central Falls Detention Facility Corporation

No meetings found for the selected criteria

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| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=970963) | Dec 10 2018, 05:30PM | Jan 15 2019, 10:24AM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=970333) | Nov 26 2018, 05:30PM | Jan 9 2019, 10:30AM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=809904) | Jan 8 2018, 05:30PM | Dec 13 2018, 08:25AM |

| Body Name | Meeting Date | Minutes Filed Date |
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| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=844152) | Sep 10 2018, 05:30PM | Dec 13 2018, 08:21AM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=969151) | Oct 29 2018, 05:30PM | Nov 29 2018, 01:29PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=843069) | Aug 20 2018, 05:30PM | Oct 16 2018, 03:22PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=841165) | Jul 9 2018, 05:30PM | Aug 15 2018, 03:52PM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=833418) | Jun 11 2018, 02:10PM | Jul 12 2018, 09:23AM |
| Central Falls Detention Facility Corporation (/OpenMeetingsPublic/OpenMeetingDashboard? subtopmenuId=201&EntityID=413&MeetingID=831913) | May 14 2018, 05:30PM | Jun 13 2018, 10:44AM |

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January 2019

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| 27 | 28 | 29 | 30 | 31 | | |

No Meetings Scheduled

One Meeting Scheduled on this day

Multiple Meetings Scheduled on this day

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(401) 222-3983 (<tel://1-401-222-3983>) opengovernment@sos.ri.gov

(<mailto:opengovernment@sos.ri.gov>)



Rhode Island Department of State



An Official Rhode Island State Website



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Exhibit Four

FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT ("Forbearance Agreement") is executed as of March 30, 2015 (the "Effective Date") by and among CENTRAL FALLS DETENTION FACILITY CORPORATION (the "Corporation"), the CITY OF CENTRAL FALLS (the "City") and U.S. BANK NATIONAL ASSOCIATION, as successor indenture trustee for the Bonds described more particularly below (the "Bond Trustee"). Each of the Corporation, the City and the Bond Trustee may be referred to herein as a "Party" and, collectively, as the "Parties".

RECITALS

WHEREAS, the Bond Trustee serves as successor indenture trustee for the Central Falls Detention Facility Refunding Bonds (the Donald W. Wyatt Detention Facility) Series 2005A ("Bonds") issued by the Corporation pursuant to that certain Indenture of Trust, dated as of June 1, 2005, by and between the Corporation and the Bond Trustee, as the same may be amended from time to time (the "Trust Indenture"). Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms as set forth in the Trust Indenture. Proceeds of the Bonds were used to expand the Corporation's detention center (the "Facility") and refinance certain prior bonds relating thereto; and

WHEREAS, there have occurred Events of Default relating to the Bonds including, but not limited to, the Corporation's failure to pay required debt service on the Bonds on July 15, 2014 and January 15, 2015, pursuant to **Section 11.1(i)** of the Trust Indenture and to replenish draws on the Reserve Fund to the Reserve Requirement that were made to pay a portion of the debt service then due on the Bonds on January 15, 2011, January 15, 2012, July 15, 2013 and January 15, 2014, pursuant to **Section 11.1(viii)** of the Trust Indenture (collectively, the "Existing Defaults"); and

WHEREAS, certain additional Events of Default by the Corporation that may occur while this Forbearance Agreement remains in effect, including but not limited to defaults in the payment of a portion of the principal of and interest on the Bonds (the "Anticipated Defaults") and, together with the Existing Defaults, the "Defaults"; and

WHEREAS, the Parties have agreed to continue to evaluate the financial performance of the Facility over a period of time, negotiate in good faith whether any amendments should be proposed with respect to the Bonds Documents, and during such time the Bond Trustee will forbear from exercising its rights and remedies available to it under the Bond Documents (defined below) and applicable law as a result of the Defaults;

WHEREAS, the holders of a majority in the aggregate principal amount of the Bonds (the "Directing Bondholders"), acting in accordance with **Section 11.2** of the Trust Indenture, have authorized and directed the Bond Trustee to execute and deliver this Forbearance Agreement. The holders of the Bonds are referred to herein as the "Bondholders."

NOW THEREFORE, in consideration of the consummation of the transactions contemplated by this Forbearance Agreement, the mutual covenants and commitments set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I: GENERAL REPRESENTATIONS

1.1. RECITALS. The recitals set forth above are incorporated herein and form an integral part of this Forbearance Agreement.

1.2. REPRESENTATIONS, ACKNOWLEDGEMENTS. The Corporation acknowledges that as of the date hereof: (i) all obligations of the Corporation under the Trust Indenture, a Mortgage and Security Agreement granted by Respondent to the Bond Trustee dated as of June 30, 2005 (the "Mortgage"), and Title 45, Chapter 54 of the Rhode Island General Laws, among other instruments (the "Act" and, together with the Trust Indenture, Mortgage and all other documents evidencing or securing the Facility Bonds, the "Bond Documents") constitute valid and binding obligations of the Corporation; (ii) the outstanding principal amount of the Bonds as of the date hereof is \$97,300,000; (iii) the accrued interest on the Bonds as of January 27, 2015 is \$5,591,081.86; and (iv) the Corporation's obligations under the Bond Documents are not subject to any defense, set-off, reduction, claim or counterclaim of any kind or nature whether at law or in equity. The Corporation represents that: (i) all representations and warranties of the Corporation under this Forbearance Agreement are true and correct as of the date hereof, and shall survive the execution or termination of this Forbearance Agreement; and (ii) the Corporation is authorized to enter into this Forbearance Agreement and, upon execution and delivery hereof, this Forbearance Agreement will be a legal and binding obligation of the Corporation.

1.3. BOND DOCUMENTS. The Corporation acknowledges that: (i) as of the date of this Forbearance Agreement, Defaults described in the recitals are continuing; and (ii) there may in the future exist additional Events of Default, or defaults that, with notice and/or the passage of time, would constitute Anticipated Defaults and/or Events of Default under various provisions of the Bond Documents.

ARTICLE II: FORBEARANCE

2.1. FORBEARANCE. Pending the occurrence of a Termination Event (defined below), the Bond Trustee shall forbear from exercising further remedies based on the occurrence and/or continuance of Defaults. Subject to the occurrence of an event identified at Section 4.1(i), (ii) and/or (iii), and Section 4.2(i), (ii) and/or (iii), (a) on July 15, 2015, the Corporation is authorized to transfer to the City \$100,000, and (b) on August 15, 2015 and on the 15th day of each month thereafter (or next business day if the 15th is not a business day), the Corporation is authorized to transfer to the City \$16,666.66 (i.e., an aggregate of up to \$800,000 during the term of the Forbearance Agreement), from Revenues, to the extent there are funds available subsequent to payment of operation and maintenance expenses of the Corporation.

2.2. CONTINUED NEGOTIATIONS. Pending the occurrence of a Termination Event, during the term of this Forbearance Agreement the Corporation and the Bond Trustee (acting at the direction and with the consent of the Directing Bondholders) shall continue good faith negotiations regarding the Corporation's obligations with respect to the Bonds, compliance with the Bond Documents, and all options to maximize the value of the Corporation, both during and subsequent to the term of this Forbearance Agreement. At their discretion, the Corporation and Bond Trustee may include other parties to participate in such good faith negotiations, including

the City and employee representatives.

2.3. STIPULATIONS REGARDING FORBEARANCE.

(a) The agreements by the Bond Trustee in this Forbearance Agreement (x) are not intended to serve as a waiver, release, forgiveness and/or restructuring of any payment or other obligations of the Corporation under any of the Bond Documents, and each of such obligations shall continue in full force and effect, subject to the terms of this Forbearance Agreement; (y) are not intended by the Parties and shall not be construed as a waiver by the Bond Trustee of any existing and continuing defaults under the Bond Documents, it being acknowledged and agreed that no such waiver shall be effected hereby; and (z) are only an agreement to forbear from exercising its rights to otherwise pursue further remedies under the Bond Documents and is in no way intended to limit any rights or remedies the Bond Trustee may have, upon a Termination Event, with respect to any default or Event of Default heretofore, now, or hereafter arising.

(b) The City represents and warrants to and for the benefit of the Bond Trustee and all present and future holders of the Bonds that this Forbearance Agreement shall not have the effect of releasing any Party or entity from liability for repayment of the indebtedness or performance of the obligations evidenced and/or secured by the Bond Documents, including but not limited to the flow of funds set forth at Section 5.6 of the Trust Indenture. The City acknowledges that R.I. Gen. L. Ch. § 45-54-21 provides that "the state pledges to and agrees with the holders of any bonds or notes issued by the corporation, that the state will not limit or alter the rights vested in the corporation to fulfill the terms of any agreements made with the holders until those bonds or notes, together with their interest, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders, are fully met and discharged. The corporation is authorized to include this pledge and agreement of the state in any agreement with the holders of the bonds or notes." The City further acknowledges that Section 14.11 of the Bond Indenture incorporates the State of Rhode Island's pledge as set forth in R.I. Gen. L. Ch. § 45-54-21.

ARTICLE III: GOVERNANCE AND MANAGEMENT DURING FORBEARANCE

3.1. ADDITIONAL REPORTING BY CORPORATION. The Corporation shall, in addition to all disclosure and reporting obligations set forth in the Bond Documents, provide to the Bond Trustee:

(a) *Access to Financial Data.* The Corporation agrees that any time during the Forbearance Period, the Bond Trustee and any of its advisors and agents, and any Directing Bondholder shall have reasonable access to and may confer with the Corporation regarding the financial condition of the Corporation. The Corporation shall make available to the Bond Trustee any information reasonably requested relating to the financial condition and business operations of the Corporation; and

(b) *Average Daily Population.* The Corporation shall provide to the Trustee on a daily basis a written report stating the average daily population of detainees at the Facility for the immediate preceding daily period (the "ADP").

(c) *Efficiencies Consultant.* At the Corporation's expense, the Corporation shall employ an independent efficiencies consultant (the "Independent Consultant") to audit and evaluate operational efficiencies and revenue growth opportunities and to prepare a report to the Corporation and make recommendations with respect to the operations and management of the Facility within 60 days of engagement. The Independent Consultant is hereby authorized by the Corporation to deliver a copy of any report prepared by the Independent Consultant to the Bond Trustee and City contemporaneous with delivery to the Corporation. The Corporation shall revise or adjust its operations and management in conformity with the recommendations of the Independent Consultant, unless such compliance would compromise the safety, security of the Facility, and/or violate applicable law.

3.2. BONDHOLDER CALLS. For the duration of this Forbearance Agreement, the Corporation shall, at the request of the Bond Trustee, make one or more members of senior management, at least one of whom shall be the Corporation's CEO/Warden, available for periodic public calls with the Bond Trustee and Bondholders to discuss matters relevant to the Bonds, the Facility, this Forbearance Agreement and/or the Bond Documents. Such calls shall be scheduled on dates and at times reasonably acceptable to the Corporation, and not more frequently than once each quarter.

In addition, on or around the 1st and 15th of each month, the Corporation, through its CEO/Warden and other representatives of the Corporation as may be reasonably requested by the Bond Trustee, shall attend a telephone conference call with the Bond Trustee, Bondholders and their respective agents, advisors and/or representatives to discuss the management, financial condition of the Corporation, and such other matters as are relevant or are reasonably requested by the Bond Trustee.

3.3. USE. The Bond Trustee shall be entitled, in its sole discretion, to rely on the reporting described in this **Article III** for purposes of determining the occurrence of any Termination Event, and compliance with (i) this Forbearance Agreement, and/or (ii) the Bond Documents.

3.4 DISMISSAL OF KEEPER PROCEEDINGS. Within three (3) business days of the Effective Date, Jonathan N. Savage, Esq., the Court-appointed Keeper ("Keeper") of the Corporation, shall contemporaneously file and send to all interested parties his (i) Petition for Instructions Regarding this Forbearance Agreement; and his First and Final Report and Recommendation that the Keepership be Dismissed with Prejudice, which the City shall support, in the case captioned R. Kelly Sheridan, Chairman of the Board of Directors vs. Central Falls Detention Facility Corporation C.A. No. 14-3011, pending in the Rhode Island Superior Court (the "Superior Court") before the Honorable Michael A. Silverstein (the "Keeper Proceeding") and the restoration of meetings of the Corporation's Board of Directors within thirty (30) days of dismissal of the Keeper Proceeding. For the avoidance of doubt, the Corporation reserves its rights to commence a receiver or related proceeding subsequent to the termination of this Agreement, and the Bond Trustee reserves all of its rights to contest any such proceeding.

3.5 DISMISSAL OF FINK LITIGATION. Within three (3) business days of the Effective Date, the City shall petition, and the Corporation shall support, the dismissal of the declaratory action in the case captioned City of Central Falls vs. Sanford Fink, Francine Fink and Central

Falls Detention Facility Corporation C.A. No. 12-6512 pending in the Superior Court, together with the consolidated summary process action related thereto (the "Fink Litigation"). The notice of dismissal shall provide the following:

- (i) To the extent the Forbearance Agreement terminates subsequent to the Corporation having made all of the stated payments to the City under Section 2.1(a), the City shall be deemed to have dismissed the Fink Litigation with prejudice and will be forever barred from challenging the tax exempt status of the Corporation (the "Tax Claims") with respect to real property owned and/or leased by the Corporation as of the Effective Date, including at 835 High Street, Central Falls, RI (the "Fink Parcel");
- (ii) To the extent the Forbearance Agreement is terminated by the Bond Trustee as a result of a Termination Event other than the Outside Termination Date on or before the Corporation makes its first payment to the City on July 15, 2015 (i.e., \$100,000), the City retains all of its rights to assert Tax Claims against the Corporation, Sanford Fink and/or Francine Fink for real property taxes associated with the Fink Parcel, and the Bond Trustee, Corporation and Sanford Fink and/or Francine Fink retain any and all counterclaims, cross claims and defenses;
- (iii) To the extent the Forbearance Agreement is terminated by the Bond Trustee as a result of a Termination Event other than the Outside Termination Date between (a) the date the Corporation makes its first payment to the City on July 15, 2015 (i.e., \$100,000) and (b) two year anniversary of the Effective Date of this Agreement, then the City retains all of its rights to assert Tax Claims against the Corporation, Sanford Fink and/or Francine Fink for real property taxes accrued on or after January 1, 2014, and the Bond Trustee, Corporation and Sanford Fink and/or Francine Fink retain any and all counterclaims, cross claims and defenses; or
- (iv) To the extent the Forbearance Agreement is terminated by the Bond Trustee as a result of a Termination Event other than the Outside Termination Date between (a) two year anniversary of the Effective Date of this Agreement and (b) the Outside Closing Date, then the City retains all of its rights to assert Tax Claims against the Corporation, Sanford Fink and/or Francine Fink for real property taxes accrued on or after such Termination Event, and the Bond Trustee, Corporation and Sanford Fink and/or Francine Fink retain any and all counterclaims, cross claims and defenses.

3.6 BOARD MEMBERS INDEPENDENT DUTY TO CORPORATION. It is acknowledged and confirmed that each member of The Board of Directors of the Corporation owes their exclusive and independent duty to the Corporation and the Corporation's creditors for so long as the Corporation remains insolvent. It is further acknowledged that the Bond Trustee, Majority Owner and the City share the common goal of working to ensure the success of the Corporation. In keeping with this common goal, it is agreed that any re-appointment or filling of vacancies shall be made in consultation with and be reasonably acceptable to a representative of the Bond Trustee and Majority Owner. The Parties agree and acknowledge that it is in the best interest of the Corporation to appoint members to the Board of Directors that have demonstrated expertise

in detention centers or similar correctional facilities and that the Mayor of the City will use his or her efforts to fill any vacancies with members with such expertise.

3.7 LIMITATION ON CITY. Except for the appointment of Members of the Board of Directors set forth in Section 3.6 herein, the City (including any authorized representative of the City) shall not be involved in the governance (day to day, or otherwise), management and operations of the Facility, including but not limited to, the Bond Documents, personnel and staffing, budgets, revenue and expenses, management agreements, leases, capital leases, and vendors (including inter-governmental agreements). For the avoidance of doubt, participation in the Blue Ribbon commission described in Section 3.8 and receipt of information from the Corporation from time to time shall not be deemed to be governance, management or operations of the Facility. As set forth at Section 3.2 of the Trust Indenture, neither the City nor the State of Rhode Island is obligated to pay any amounts due on the Bonds.

3.8 NO CONTEST BY BOND TRUSTEE. The Bond Trustee has been informed that subsequent to the Effective Date, the Corporation desires to make certain administrative changes at the Facility that will not negatively impact the Bond Documents or this Forbearance Agreement. Based upon such representation, the Bond Trustee covenants not to object to the Corporation's (i) decisions regarding choice of counsel or special counsel to the Corporation, (ii) dismissal of that certain appeal relating to the sergeants' petition to unionize; and (iii) formation of a Blue Ribbon commission to review and consider revenue generating initiatives for the Corporation, both during and subsequent to the term of the Forbearance Agreement.

ARTICLE IV: FORBEARANCE TERMINATION EVENTS

4.1. TERMINATION EVENTS ON FIFTEEN BUSINESS DAYS' NOTICE. The occurrence and continuance of any of the following shall constitute a "Termination Event" under this Forbearance Agreement and the Bond Trustee's obligations to forbear under this Forbearance Agreement shall terminate, without any further action, fifteen (15) Business Days after written notice to the Corporation, including reference to the category of asserted default identified in this section 4.1, with a copy sent contemporaneously to the City of the occurrence and continuance of any of the following:

- (i) The Corporation's failure to comply with any covenant in this Forbearance Agreement, including but not limited to each of the provisions at **Article III**;
- (ii) The City's failure to comply with any covenant in this Forbearance Agreement, including but not limited to Articles 3.4, 3.5, 3.6 and 3.7;
- (iii) (y) any other material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), or financial condition of the Corporation that reasonably results in the Corporation's inability to pay current operation and maintenance expenses in the ordinary course or during the subsequent thirty (30)

day period; and (z) a material adverse effect upon the legality, validity, binding effect or enforceability against the Corporation of any Bond Documents; all as determined solely but reasonably by the Bond Trustee; or

- (iv) The commencement by any party other than the Corporation, City, State and/or any other governmental entity of an Insolvency Event that continues unstayed and in effect for any period of forty five (45) consecutive days. As used herein, "Insolvency Event" means the commencement of proceedings naming the Corporation as a debtor under any chapter of the United States Bankruptcy Code, 11 U.S.C. § 101 et. seq., the commencement of receivership proceedings by any party other than the Bond Trustee naming the Corporation or involving a material part of its property, the making of an assignment for the benefit of the relevant Corporation's creditors, or any substantially similar event or proceeding involving the Corporation.

4.2. IMMEDIATE TERMINATION EVENTS. The Bond Trustee's obligations under this Forbearance Agreement shall terminate **IMMEDIATELY** and without notice to any Party, without any further action upon the occurrence of any of the following additional Termination Events:

- (i) The commencement by the Corporation, City, State and/or any other governmental entity, or the consent thereto by the Corporation, of an Insolvency Event involving the Corporation;
- (ii) The commencement by the Corporation, City, State and/or any other governmental entity of any action challenging the validity, enforceability, priority or extent of the Bond Trustee's liens, claims and/or interests with respect to the Bonds, this Forbearance Agreement, or any Bond Document;
- (iii) The failure of the Superior Court to dismiss the Keeper Proceeding prior to April 6, 2015;
- (iv) The Board of Directors for the Corporation's failure to reaffirm all of its obligations under this Forbearance Agreement prior to April 24, 2015; or
- (v) January 16, 2019 (the "Outside Termination Date").

4.3. EFFECT OF OCCURRENCE OF TERMINATION EVENT. Upon the occurrence of a Termination Event, and except as otherwise expressly provided in this Forbearance Agreement: (a) the Bond Trustee's obligations under this Forbearance Agreement including, without

limitation, to forbear as described herein shall automatically terminate; and (b) the Bond Trustee may immediately commence enforcing all its rights and remedies pursuant to this Forbearance Agreement, Bond Documents, applicable law and otherwise, in such order and manner as the Bond Trustee may determine appropriate in its discretion.

ARTICLE V: ADDITIONAL COVENANTS

5.1. VOLUNTARY ACTION. The Corporation and City, each hereby acknowledge and agrees that (a) it has read and understands the contents of this Forbearance Agreement, (b) it has had the opportunity to consult with counsel of its choice throughout all of the negotiations that preceded the execution of this Forbearance Agreement, and (c) it has acted voluntarily and without duress in connection with the execution and delivery of this Forbearance Agreement after reviewing and understanding each provision herein and without reliance upon any promise or representation of any person or persons acting for or on behalf of the Bond Trustee.

ARTICLE VI: ADDITIONAL TERMS

6.1. CERTAIN DISCLOSURES. Upon execution of this Forbearance Agreement by all Parties, the Bond Trustee may post this Forbearance Agreement, including all Schedules and Exhibits attached hereto (if any), on the Electronic Municipal Market Access Service (available at www.emma.msrb.org) and, for the avoidance of doubt, the Bond Trustee shall be authorized to issue one or more notices to holders of the Bonds disclosing the existence and material terms of this Forbearance Agreement.

6.2. NOTICES. All notices, demands, requests, consents, approvals and other communications ("Notice" or "Notices") under this Forbearance Agreement shall be in writing and delivered by (i) courier or messenger service, (ii) express or overnight mail, (iii) electronic mail (with a contemporaneous telephone message at the phone number(s) listed below), or (iv) by registered or certified mail, return receipt requested and postage prepaid, addressed to the respective parties as follows:

**IF TO THE
CORPORATION:**

Central Falls Detention Facility
Corporation
Attn: CEO/Warden
950 High Street
Central Falls, RI 02863.

**IF TO THE BOND
TRUSTEE:**

U.S. Bank National Association
Attn: Patricia J. Kapsch, Vice President
60 Livingston Avenue
St. Paul, MN 55107
651-466-5861
651-466-7401

WITH A COPY TO: Mintz, Levin, Cohn, Ferris, Glovsky and
Popeo, P.C.
Attn: William W. Kannel
Adrienne K. Walker
One Financial Center
Boston, MA 02111
wkannel@mintz.com
awalker@mintz.com
617-542-6000

IF TO THE CITY: City of Central Falls
c/o City Solicitor
580 Broad Street
Central Falls, RI 02863

or to such other addresses any Party may hereafter designate. Notice by courier or messenger service or by express or overnight mail shall be effective upon receipt. Notice by electronic mail shall be effective upon delivery by the sender of a confirming telephone message. Notice by mail shall be complete at the time of deposit in the U.S. mail system, but any right or duty to do any act or make any response within any prescribed period or on a date certain after the service of such Notice given by mail shall be, without further action by any party, automatically extended three (3) days.

6.3. MODIFICATION IN WRITING. No amendment, modification, supplement, termination or waiver of or to any provision of this Forbearance Agreement, nor consent to any departure by the Parties therefrom, shall be effective unless the same shall be in writing and signed by the Parties. Any such amendment, modification, supplement, termination, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Forbearance Agreement, no notice to or demand on the Parties in any case shall entitle the any Party to any other or further notice or demand in similar or other circumstances.

6.4. ASSIGNMENT; EXECUTION; BINDING EFFECT. The Corporation and/or City shall not assign its respective rights or obligations under this Forbearance Agreement as a whole or in part without the express prior written consent of the Bond Trustee. This Forbearance Agreement shall continue in full force and effect and be binding upon the Corporation, the City, its respective representatives, administrators, successors and assigns and shall inure to the benefit of and be enforceable by the Bond Trustee, its successors, endorsers and assigns.

The Keeper may execute this Forbearance Agreement on behalf of the Corporation pursuant to his powers under R.I. Gen. Laws § 45-54-6(14) and the Order Appointing Keeper entered in the Keeper Proceeding, subject to the approval of the Superior Court.

6.5. GOVERNING LAW. All rights, duties, benefits, and privileges arising under this Forbearance Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Rhode Island.

6.6. PARTIAL INVALIDITY. Every provision of this Forbearance Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Forbearance Agreement.

6.7. RIGHTS CUMULATIVE. The rights of the Bond Trustee under this Forbearance Agreement shall be understood as not excluding any other legal or equitable rights of the Bond Trustee against the Corporation not expressly set forth herein (including but not limited to the Bond Documents), but shall be understood as being cumulative to all other legal and equitable rights of the Bond Trustee arising out of such parties' obligations. No failure on the part of the Bond Trustee to exercise and no delay in exercising any right under this Forbearance Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Forbearance Agreement preclude any other or further exercise thereof or the exercise of any other rights. Except as expressly set forth herein, all rights of the Bond Trustee described in this Forbearance Agreement shall be exercised by the Bond Trustee in its sole discretion (or as required under the terms of the Trust Indenture). For the avoidance of doubt, nothing herein shall be in derogation of any rights the Corporation has under this Forbearance Agreement.

6.8. CONSTRUCTION. Each Party has been represented by counsel of its choice in negotiating this Forbearance Agreement; this Forbearance Agreement shall therefore be deemed to have been negotiated and prepared at the joint request, direction and construction of the Parties, at arm's length, and be interpreted without favor to any Party.

6.9. HEADINGS. The headings contained in this Forbearance Agreement are for convenience and reference only and shall not define, limit or otherwise affect the meaning of any terms or provisions hereof.

6.10. TIME IS OF THE ESSENCE. Time shall be of the essence with respect to each and every of the various undertakings and obligations set forth in this Forbearance Agreement.

6.11. EXECUTION. This Forbearance Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Facsimile or PDF signatures on this Forbearance Agreement shall be treated as original signatures for all purposes.

6.12. JURY WAIVER. THE CORPORATION AND THE CITY HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS FORBEARANCE AGREEMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR

ARISING FROM OR RELATING TO ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS FORBEARANCE AGREEMENT, AND AGREES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

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IN WITNESS WHEREOF, the Parties have executed this Forbearance Agreement as of the date first above written.

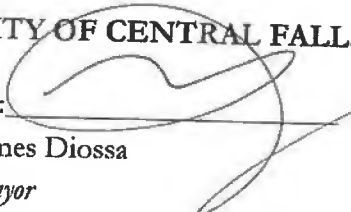
**CENTRAL FALLS DETENTION FACILITY
CORPORATION**

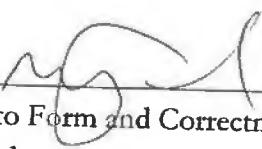
By: _____
NAME: _____
TITLE: _____

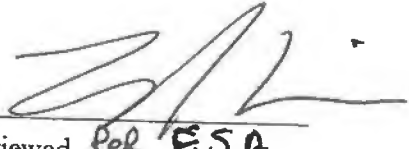
**U.S. BANK NATIONAL ASSOCIATION, SOLELY
IN ITS CAPACITY AS BOND TRUSTEE**

By: _____
NAME: Patricia J. Kapsch
TITLE: Vice President

CITY OF CENTRAL FALLS:

By: 
James Diosa
Mayor

By: 
As to Form and Correctness
Matthew Jerzyk
City Solicitor

By: 
Reviewed Per F.S.A.
Leonard Morganis
Administrative and Finance Officer

ACKNOWLEDGMENT

STATE OF Rhode Island
COUNTY OF Providence) SS.

On this 1st day of April, 2015, before me, the undersigned, a Notary Public, appeared Matthew T. Jerzyk, to me personally known, who, being by me duly sworn, did say that he is the City Solicitor of CITY OF CENTRAL FALLS, RHODE ISLAND, a municipal division of the State of Rhode Island, and that said instrument was signed on behalf of said City by authority of its _____, and said _____ acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City as duly authorized by its managers.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Lisa A. Dias
Notary Public - State of Rhode Island
Printed Name: Lisa A. Dias

My commission expires:

12-5-15

ACKNOWLEDGMENT

STATE OF Rhode Island
COUNTY OF Providence) SS.

On this 2nd day of April, 2015, before me, the undersigned, a Notary Public, appeared Leonard Horganis, to me personally known, who, being by me duly sworn, did say that he is the A.F.O. of CITY OF CENTRAL FALLS, RHODE ISLAND, a municipal division of the State of Rhode Island, and that said instrument was signed on behalf of said City by authority of its _____, and said _____ acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City as duly authorized by its managers.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Lisa A. Dias
Notary Public - State of Rhode Island
Printed Name: Lisa A. Dias

My commission expires:

12-5-15

ACKNOWLEDGMENT

STATE OF Rhode Island
COUNTY OF Providence) SS.

On this 3rd day of April, 2015, before me, the undersigned, a Notary Public, appeared James A. Diassa, to me personally known, who, being by me duly sworn, did say that he is the Mayor of **CITY OF CENTRAL FALLS, RHODE ISLAND**, a municipal division of the State of Rhode Island, and that said instrument was signed on behalf of said City by authority of its _____, and said _____ acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City as duly authorized by its managers.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Lisa A. Dias
Notary Public - State of Rhode Island
Printed Name Lisa A. Dias

My commission expires:

12-5-15

Exhibit

Five

THIRD AMENDMENT TO FORBEARANCE AGREEMENT

THIS THIRD AMENDMENT TO FORBEARANCE AGREEMENT (this "Amendment") is executed as of January 16, 2019 (the "Effective Date") by and among the **CENTRAL FALLS DETENTION FACILITY CORPORATION** (the "Corporation") and **UMB BANK, N.A.**, as successor indenture trustee for the Bonds described more particularly below (the "Bond Trustee"). Each of the Corporation and the Bond Trustee may be referred to herein as a "Party" and, collectively, as the "Parties."

RECITALS

WHEREAS, the Bond Trustee serves as successor indenture trustee for the Central Falls Detention Facility Refunding Bonds (the Donald W. Wyatt Detention Facility) Series 2005A ("Bonds") issued by the Corporation pursuant to that certain Indenture of Trust, dated as of June 1, 2005, by and between the Corporation and U.S. Bank National Association as original indenture trustee, as the same may be amended from time to time (the "Trust Indenture"). Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to such terms as set forth in the Trust Indenture or Forbearance Agreement (defined herein). Proceeds of the Bonds were used to expand the Corporation's detention center (the "Facility") and refinance certain prior bonds relating thereto; and

WHEREAS, Events of Default have occurred and are continuing relating to the Bonds including, but not limited to, the Corporation's failure to pay required debt service on the Bonds, pursuant to Section 11.1(i) of the Trust Indenture and to replenish draws on the Reserve Fund to the Reserve Requirement pursuant to Section 11.1(viii) of the Trust Indenture; and

WHEREAS, the Corporation, Bond Trustee and City are parties to that certain Forbearance Agreement, dated March 30, 2015 (the "Forbearance Agreement"), whereby the Parties entered into a multiyear forbearance of the Bond Trustee's exercise of remedies under the Trust Indenture, as well as governance and operational modifications, subject to the terms and conditions set forth in the Forbearance Agreement; and

WHEREAS, subsequent to the occurrence of a Termination Event under Article 4.1(iii) of the Forbearance Agreement, the Parties agreed to amend the Forbearance Agreement to (i) provide financial support to the Corporation to (a) fund certain identified items in the 2017 Correction Plan issued by the United States Marshals Service, and (b) fund certain unbudgeted operating expenses, (ii) update various reporting guidelines and operations, and (iii) continue to evaluate the financial performance of the Facility over a period of time, including negotiating in good faith whether any amendments should be proposed with respect to the Bonds Documents on May 3, 2017, the parties reflected their agreements and entered into that certain Amendment to Forbearance Agreement, dated as of May 3, 2017 (the "First Amendment"); and

WHEREAS, subsequent to the First Amendment, the Corporation and the USMS agreed to partner to build a fence to fully enclose the perimeter at the Facility (the "Fence Project"). As a result thereof, the USMS agreed to reimburse the Corporation 50% of the amounts necessary to complete the Fence Project. To meet the remaining expense of the Fence Project, the Parties agreed to further amend the Forbearance Agreement to (i) provide financial support to the

Corporation to fund the Fence Project as set forth therein, (ii) amend certain terms in the Forbearance Amendment, and (iii) continue to evaluate the financial performance of the Facility over a period of time. The Parties reflected their agreement and entered into that certain Second Amendment to Forbearance Agreement, dated as of March 12, 2018 (the “Second Amendment”).

WHEREAS, on January 4, 2019, the Corporation was advised by the United States Marshals Service that as a result of an absence of appropriations to the USMS as a result of the ongoing partial federal government Shutdown (defined herein), the USMS is unable to process payments for detainees and prisoners being housed in IGA facilities, such as the Facility. The USMS further advised that all unpaid invoices will be processed under the federal Prompt Payment Act when the Federal Prisoner Detention appropriation is funded.

WHEREAS, to meet its immediate operation expenses solely due to the Shutdown, the Corporation has requested a Bridge Advance (defined herein) in accordance with the Bond Documents. The Bond Trustee agreed to make advances, subject to (i) entry of an Advance Agreement with Bondholders (defined herein) or their affiliates, and (ii) entry of this Amendment. The Corporation has advised the Bond Trustee that, absent the Bridge Advance, it would not have sufficient funds to operate its business.

WHEREAS, an Immediate Termination Event under Article 4.12(v) has occurred and additional Termination Events by the Corporation under the Forbearance Agreement may have occurred or may occur in the future that will have a negative material impact on the operations of the Facility; and

WHEREAS, the Parties have agreed to enter into this Amendment to (i) provide immediate liquidity to the Corporation under the Bridge Advance to fund critical operating expenses that are not being funded due to the Shutdown, (ii) extend the Outside Termination Date for six (6) months to allow the Parties additional time to evaluate all options to meet the needs of the stakeholders, and (iii) continue to evaluate the long term viability of the Facility.

WHEREAS, in accordance with Section 11.2 of the Trust Indenture, the Majority Owner has authorized and directed the Bond Trustee to execute and deliver this Amendment. The holders of the Bonds are referred to herein as the “Bondholders.”

NOW THEREFORE, in consideration of the consummation of the transactions contemplated by this Amendment, the mutual covenants and commitments set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

GENERAL REPRESENTATIONS

A. **RECITALS.** The recitals set forth above are incorporated herein and form an integral part of this Amendment.

B. **REPRESENTATIONS, ACKNOWLEDGEMENTS.** The Corporation acknowledges that as of the Effective Date: (i) all obligations of the Corporation under the Trust Indenture, a Mortgage and Security Agreement granted by Respondent to the Bond Trustee dated as of June

30, 2005 (the "Mortgage"), and Title 45, Chapter 54 of the Rhode Island General Laws, among other instruments and laws (the "Act" and, together with the Trust Indenture, Mortgage and all other documents and laws, rules or regulations evidencing or securing the Facility Bonds, the "Bond Documents") constitute valid and binding obligations of the Corporation; (ii) the outstanding principal amount of the Bonds as of the date hereof is \$97,300,000; (iii) the accrued and unpaid interest on the Bonds as of January 15, 2019 is \$32,513,754.06; and (iv) the Corporation's obligations under the Bond Documents are not subject to any defense, set-off, reduction, claim or counterclaim of any kind or nature whether at law or in equity. The Corporation represents that: (i) all representations and warranties of the Corporation under this Amendment are true and correct as of the date hereof, and shall survive the execution or termination of this Amendment; and (ii) the Corporation is authorized to enter into this Amendment and, upon execution and delivery hereof, this Amendment will be a legal and binding obligation of the Corporation.

C. BOND DOCUMENTS. The Corporation acknowledges that: (i) as of the Effective Date, the Immediate Termination Event and Events of Default described in the Recitals are continuing; and (ii) there may in the future exist additional Immediate Termination Event, Termination Events, and/or Events of Default, or defaults that, with notice and/or the passage of time, would constitute Termination Events and/or Events of Default under various provisions of the Forbearance Agreement and/or Bond Documents.

AMENDMENTS

1. As of the Effective Date, Article 4.2(v) is hereby deleted in its entirety and the following is substituted therefor:

(v) July 16, 2019 (the "Outside Termination Date").

2. As of the Effective Date, Articles 3.11 shall be inserted in the Forbearance Agreement as follows:

3.11 BRIDGE ADVANCE FROM BOND TRUSTEE TO CORPORATION UNDER TRUST INDENTURE. As a result of an absence in federal appropriations to the United States Marshals Service ("USMS") as a result of the ongoing partial government shutdown (the "Shutdown"), the USMS is unable to process payments on invoices issued by the Corporation. If the Shutdown continues past January 22, 2019 and the USMS is not funding the Corporation's pending invoices for December 2018 detainee housing, at the request of the Corporation evidenced hereby and at the written direction and consent of the Majority Owner, the Bond Trustee hereby agrees to make an advance of funds to the Corporation (the "Bridge Advance"), as an advance from the Bond Trustee under the Bond Documents in an amount not to exceed in the aggregate \$1,500,000, solely to meet the Corporation's immediate operating expenses.

As provided in the Bond Documents, the Bridge Advance shall accrue interest at the rate of 11.25% per annum, commencing on January 22, 2019. In addition, the Corporation is obligated to pay to the Bond Trustee, for the benefit of the Advance Lenders, a fee in the amount of \$15,000 (the "Underwriting Fee") for the costs and expense of making the

Bridge Advance. The Corporation agrees to pay the Underwriting Fee on or before the Bridge Advance Maturity Date (defined herein).

The Corporation agrees to pay all accrued interest and principal on the Bridge Advance on or before earlier of (a) ten (10) business days from the cessation of the Shutdown and the federal government resumes appropriations to the USMS (the "Bridge Advance Maturity Date"), or (b) the occurrence of a Termination Event. There is no prepayment penalty on the Bridge Advance.

The making of a Bridge Advance is expressly subject to the following conditions precedent:

- (i) As of the Effective Date, the Bond Trustee shall have entered into an Advance Agreement with certain Bondholders (each an "Advance Lender" and collectively, the "Advance Lenders") to provide the funds necessary to make a Bridge Advance to the Corporation as set forth herein. The Advance Agreement shall provide that all interest earned on the Bridge Advance shall be payable to the Advance Lenders consistent with the Bond Documents on the Bridge Advance Maturity Date. The Bridge Advance shall be paid prior to any amounts distributed to Bondholders;
- (ii) Funding of a Bridge Advance shall be limited to those items stated on a budget for the period commencing the week ending January 25, 2019 and concluding the week ending February 22, 2019 and attached hereto as **Exhibit A** (the "Bridge Advance Budget");
- (iii) Requisitions for a Bridge Advance must be made pursuant to the process outlined at Section 3.10 to this Forbearance Agreement; and
- (iv) At the same time the Corporation delivers to the Bond Trustee a Shortfall Request for a Bridge Advance, the Corporation shall also deliver to the Bond Trustee a report with a rolling comparison of the Bridge Advance Budget to actual performance for the preceding week.

3. As of the Effective Date, a new Article 3.12 shall be inserted in the Forbearance Agreement as follows:

3.12 CORPORATION TO EVALUATE STRATEGIC ALTERNATIVES. The Corporation agrees that prior to the Outside Termination Date, it shall use its best efforts to cooperate with the Bond Trustee to evaluate a potential affiliation, strategic transaction, or impact of cessation of operations upon the Corporation and its stakeholders to maximize the return to the Bondholders and other stakeholders, including the following:

- (i) On or before January 22, 2019, the Corporation shall authorize the Warden to enter into nondisclosure agreements reasonably satisfactory to the Corporation and Bond Trustee to provide confidential information about the Corporation to parties considering a sale, investment, or other affiliation (a "Sale/Affiliation");

Transaction”) with the Corporation, including but not limited to CoreCivic, GEO Group, Inc., Management & Training Corporation.

- (ii) To the extent the Corporation enters into any nondisclosure agreements with respect to a Sale/Affiliation Transaction, the Corporation consents to the Bond Trustee, the Majority Owner and their representatives having direct discussions with any Financial Consulting Firm (defined herein), independent from any discussions with the Corporation.
- (iii) To the extent the Shutdown continues past February 4, 2019, the Corporation shall provide to the Bond Trustee a written plan on or before February 8, 2019 for (a) cessation of the Corporation’s operations on or about February 22, 2019, including any associated costs, details concerning transfers of detainees, and security to the Facility, and/or (b) operations past February 22, 2019 without USMS revenue, which may include alternative funding.
- (iv) To the extent the Shutdown ends on or before February 4, 2019 and payment by the USMS is made in amounts sufficient for the Corporation to meet its operating expenses from USMS revenues no later than the week ending February 22, 2019 and thereafter, then the Corporation shall continue to use its best efforts to cooperate with the Bond Trustee to evaluate a Sale/Affiliation Transaction as follows:
 - (a) Within 7 days of a request by the Bond Trustee, the Corporation shall retain an investment banking firm (the “Financial Consulting Firm”) to assist the Corporation in preparing, presenting, and if applicable, implementing a proposed Sale/Affiliation Transaction. The Corporation hereby consents to the Bond Trustee, the Majority Owner and their representatives having direct discussions with the Financial Consulting Firm, independent from any discussions with the Corporation.
 - (b) Within twenty one (21) days of the Financial Consulting Firm’s engagement and with the cooperation of the Corporation, the Financial Consulting Firm shall produce in form satisfactory to the Bond Trustee, marketing/informational materials that may be distributed to potential parties considering a Sale/Affiliation Transaction. In addition, the Financial Consulting Firm shall prepare and maintain an electronic due diligence room with materials necessary to allow parties to evaluate a Sale/Affiliate Transaction.
 - (c) The Corporation shall cooperate fully with the Financial Consulting Firm in the sales/affiliation process, particularly with respect to making information and site visits available to potential purchasers/affiliation partners for due diligence investigation, as well as assisting the Financial Consulting Firm in preparing any and all marketing materials associated with the Facility and the Corporation.

- (d) The Corporation shall further provide to the Bond Trustee and shall cause the Financial Consulting Firm to provide to the Bond Trustee, no later than two (2) business day after receipt by Borrower or the Investment Banker, as the case may be, copies of all written proposals, expressions of interest or similar communications from prospective purchasers/affiliation partners and, no later than one (1) business day after transmission by Corporation or the Financial Consulting Firm, copies of Corporation or the Financial Consulting Firm's responses to communications regarding any Sale/Affiliation Transaction.
- (e) The Corporation shall provide to the Bond Trustee regular marketing reports in form and substance acceptable to the Bond Trustee. The report shall include a summary of the Financial Consulting Firm's marketing efforts, including sale/affiliation communications, number of potential acquisition inquiries, identities of potential acquirers, indications of interest, letters of intent or offers and status of follow up with any leads.
- (f) The Parties acknowledge and agrees that nothing contained in the Third Amendment shall be construed as an agreement by the Bond Trustee or the Corporation to (1) consent to any Sale/Affiliation Transaction unless such transaction will result in the payment in full, in cash, of the Obligations, (2) release or terminate the Bond Trustee's liens and security interests upon the Collateral for any reason other than payment in full, in cash, of all Obligations under the Bond Documents, (3) extend the Outside Termination Date, or to otherwise modify or amend the terms and conditions of the Forbearance Agreement to accommodate such a Sale/Affiliation Transaction, or (4) to limit, modify, or waive any of the Bond Trustee's rights and remedies under the Bond Documents.
- (g) The Parties acknowledge and agree that nothing contained in the Third Amendment shall be construed as an agreement by the Bond Trustee or the Corporation to consent to consummating any Sale/Affiliation Transaction.

ADDITIONAL TERMS TO AMENDMENT

4. Limited Waiver of Articles 6.3. The Parties to this Amendment waive and are hereby estopped from making any and all arguments that the Forbearance Agreement and any amendments thereto signed by the Parties to this Amendment is unenforceable or that the Parties are otherwise not bound by the terms and conditions because the City of Central Falls is not a signatory to any amendment, including this Amendment.

5. Conformance and Reaffirmation. The Forbearance Agreement is hereby amended to conform with this Amendment, but in all other respects such provisions are to be and continue to be in full force and effect. Except as modified by the Forbearance Agreement (as amended), the terms of the Bond Documents shall remain in full force and effect following the execution of

this Agreement and except as expressly set forth in this Agreement, nothing herein shall constitute a waiver of any of the Bond Trustee's rights or remedies contained in the Bond Documents or Forbearance Agreement.

6. Certain Disclosures. Upon execution of this Amendment by all Parties, the Bond Trustee may post this Amendment, including all Exhibits attached hereto, on the Electronic Municipal Market Access Service (available at www.emma.msrb.org) and, for the avoidance of doubt, the Bond Trustee shall be authorized to issue one or more notices to holders of the Bonds disclosing the existence and material terms of this Amendment.

7. Notices. All notices, demands, requests, consents, approvals and other communications ("Notice" or "Notices") under this Forbearance Agreement shall be in writing and delivered by (i) courier or messenger service, (ii) express or overnight mail, (iii) electronic mail (with a contemporaneous telephone message at the phone number(s) listed below), or (iv) by registered or certified mail, return receipt requested and postage prepaid, addressed to the respective parties as follows:

**IF TO THE
CORPORATION:**

Central Falls Detention Facility Corporation
Attn: CEO/Warden
950 High Street
Central Falls, RI 02863.

WITH A COPY TO:

Pannone Lopes Devereaux & O'Gara LLC
Attn: Matthew A. Lopes, Jr.
Northwoods Office Park, Suite 215N
1301 Atwood Avenue, Johnston, RI 02919
mlopes@pdlolaw.com
401-824-5100

**IF TO THE BOND
TRUSTEE:**

UMB Bank, N.A.
Attn: Lorna Gleason, Senior Vice President,
Special Accounts | Corporate Trust
120 South Sixth Street, #1400
Minneapolis, MN 55402
lorna.gleason@umb.com
816.213.4547

WITH A COPY TO:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Attn: Adrienne K. Walker
One Financial Center
Boston, MA 02111
awalker@mintz.com
617-542-6000

IF TO THE CITY:

City of Central Falls
c/o City Solicitor
580 Broad Street
Central Falls, RI 02863

or to such other addresses any Party may hereafter designate. Notice by courier or messenger service or by express or overnight mail shall be effective upon receipt. Notice by electronic mail shall be effective upon delivery by the sender of a confirming telephone message. Notice by mail shall be complete at the time of deposit in the U.S. mail system, but any right or duty to do any act or make any response within any prescribed period or on a date certain after the service of such Notice given by mail shall be, without further action by any party, automatically extended three (3) days.

8. Voluntary Action. The Corporation acknowledges and agrees that (a) it has read and understands the contents of this Amendment, (b) it has had the opportunity to consult with counsel of its choice throughout all of the negotiations that preceded the execution of this Amendment, and (c) it has acted voluntarily and without duress in connection with the execution and delivery of this Amendment after reviewing and understanding each provision herein and without reliance upon any promise or representation of any person or persons acting for or on behalf of the Bond Trustee.

9. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision of this Amendment, nor consent to any departure by the Parties therefrom, shall be effective unless the same shall be in writing and signed by the Parties. Any such amendment, modification, supplement, termination, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Amendment, no notice to or demand on the Parties in any case shall entitle the any Party to any other or further notice or demand in similar or other circumstances.

10. Governing Law. All rights, duties, benefits, and privileges arising under this Amendment shall be governed by and construed and enforced in accordance with the laws of the State of Rhode Island.

11. Partial Invalidity. Every provision of this Amendment is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this Amendment.

12. Rights Cumulative. The rights of the Bond Trustee under this Amendment shall be understood as not excluding any other legal or equitable rights of the Bond Trustee against the Corporation not expressly set forth herein (including but not limited to the Bond Documents), but shall be understood as being cumulative to all other legal and equitable rights of the Bond Trustee arising out of such parties' obligations. No failure on the part of the Bond Trustee to exercise and no delay in exercising any right under this Amendment shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Amendment preclude any other or further exercise thereof or the exercise of any other rights. Except as expressly set forth

herein, all rights of the Bond Trustee described in this Amendment shall be exercised by the Bond Trustee in its sole discretion (or as required under the terms of the Trust Indenture). For the avoidance of doubt, nothing herein shall be in derogation of any rights the Corporation has under this Amendment.

13. Construction. Each Party has been represented by counsel of its choice in negotiating this Amendment; this Amendment shall therefore be deemed to have been negotiated and prepared at the joint request, direction and construction of the Parties, at arm's length, and be interpreted without favor to any Party.

14. Headings. The headings contained in this Amendment are for convenience and reference only and shall not define, limit or otherwise affect the meaning of any terms or provisions hereof.

15. Time is of the Essence. Time shall be of the essence with respect to each and every of the various undertakings and obligations set forth in this Amendment.

16. Execution. This Amendment and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Facsimile or PDF signatures on this Amendment shall be treated as original signatures for all purposes.

17. JURY WAIVER. **THE CORPORATION HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THE FORBEARANCE AGREEMENT OR THIS AMENDMENT OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HERewith OR ARISING FROM OR RELATING TO ANY RELATIONSHIP EXISTING IN CONNECTION WITH THE FORBEARANCE AGREEMENT, AND AGREES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.**

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to Forbearance Agreement as of the date first above written.

**CENTRAL FALLS DETENTION FACILITY
CORPORATION**

**UMB BANK, N.A., SOLELY IN ITS CAPACITY
AS BOND TRUSTEE**

BY: _____
NAME: ALBERT GARDNER
TITLE: CHAIRMAN OF THE BOARD

BY: _____
NAME: LORNA GLEASON
TITLE: SENIOR VICE PRESIDENT